



DEPARTMENT OF CONSERVATION

DIRECTOR'S OFFICE

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December 5, 2005

NOTICE

To: All Interested Parties

Subject: 2006 Processing Payments

Section 14575 of the Public Resources Code (PRC) requires the Department of Conservation (Department) to establish a processing payment for any beverage container type that has a scrap value less than the cost of recycling. (The Department makes processing payments to processors. Processors pay recyclers the entire processing payment.) This Notice announces the 2006 processing payments.

Pursuant to PRC Section 14575, the calculation of the 2006 processing payments is based on the difference between the scrap values offered to recyclers and the sum of the actual costs of recycling for certified recycling centers, excluding centers receiving handling fees, plus a reasonable financial return.

Scrap values are based on the average scrap values paid to recyclers for the period between October 1, 2004 and September 30, 2005.

The processing payments shown below become effective January 1, 2006.

2006 Processing Payments per Pound Redeemed	
(effective January 1, 2006)	
Glass	\$0.04184
Plastic	
#1 – PET (Polyethylene Terephthalate)	\$0.11320
#2 – HDPE (High Density Polyethylene)	\$0.20133
#3 – PVC (Polyvinyl Chloride)	\$0.82945
#4 – LDPE (Low Density Polyethylene)	\$0.75579
#5 – PP (Polypropylene)	\$0.34339
#6 – PS (Polystyrene)	\$1.54276
#7 – Other	\$0.63699
Bi-metal	\$0.31472

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Table 1, attached, shows the following detailed information for glass, plastic, and bimetal beverage containers:

- The cost of recycling
- The scrap value paid to recyclers
- The processing payment (if any)

Note to certified recycling centers: If a receipt and log period overlap the effective date of January 1, 2006, for the adjusted processing payments, one DR-6 should be filled out for the period through December 31, 2005, and another DR-6 filled out for the period beginning January 1, 2006. Failure to separate the reports may delay your payment, and the Department will only reimburse payment at the lower processing payment for the entire reporting period.

To review notices of changes impacting participants in the beverage container recycling program, please visit the Department's Beverage Container Recycling Program home page on the Internet at www.consrv.ca.gov/dor/index.htm or call the Division of Recycling at (916) 323-3836.

For further information on the determination of processing payments, please contact Mr. Chuck Seidler, Market Research Branch, Division of Recycling, at (916) 327-7599. If you have questions concerning processing payment reporting requirements or completion of the DR-6, please contact the Recycler Training and Review Section at (916) 323-3008.

Bridgett Luther
Director

Attachment

Table I 2006 Processing Payments Effective January 1, 2006 Glass, Bimetal and Plastic									
	Glass	Plastic							Bimetal
		PET	HDPE	Vinyl	LDPE	PP	PS	Other	
Cost of Recycling per Ton with Reasonable Financial Return	\$86.93	\$520.10	\$708.20	\$1,669.72	\$1,992.10	\$853.37	\$3,217.53	\$1,333.13	\$639.99
Scrap Value per Ton	\$3.25	\$293.71	\$305.55	\$10.83	\$480.52	\$166.60	\$132.02	\$ 59.16	\$10.55
Processing Payments to Recyclers									
Processing Payment Per Ton Redeemed	\$83.68	\$226.39	\$402.65	\$1,658.89	\$1,511.58	\$686.77	\$3,085.51	\$1,273.97	\$629.44
Processing Payment Per Pound Redeemed (To be used on DR6)	\$0.04184	\$0.11320	\$0.20133	\$0.82945	\$0.75579	\$0.34339	\$1.54276	\$0.63699	\$0.31472